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TO : Executive Secretary, EIC  
THRU : Chief, Materials Division, ORR *h*  
FROM : Chairman, Subcommittee on Chemicals

DATE: 29 February 1956

SUBJECT: Current Situation in the Activities of  
the Subcommittee on Chemicals

1. Recent reorganizations in the military agencies have greatly altered the character of the research on the chemical industries of the Sino-Soviet Bloc. The Chemicals Branch, ORR, CIA, is now the only research unit closely following the basic Soviet Bloc Chemical Industry; the Service Intelligence Agencies confine themselves to military end items and to certain "special" chemical products such as hydrazine, fuming nitric acid, etc. As a result, the role of the Chemical Subcommittee of the EIC has been correspondingly changed.

2. As reported in our memorandum to you of 5 August 1955, the Targets Analysis Division of A-2, which watched the production of a limited number of basic chemicals in the Sino-Soviet Bloc, worked closely with us. On the whole, their figures on production agreed with those of the Chemicals Branch. Effective approximately 1 February 1956, the Chemical Section of the Target Analysis Division was reorganized and their basic interest in chemical products completely changed. The qualified representatives were transferred to a new section which will concentrate only on the production and availability of Guided Missile fuels. They will watch, as the Chemicals Branch attempts to do, the availability of such products as oxygen, hydrazine hydrate, aniline, dimethylaniline, white and red fuming acid, and any other "special" chemicals and chemical end products of interest in the Guided Missile program. Their previous responsibilities for basic chemicals has been transferred to a clerical group which will merely log information on these chemicals from documents and reports available to the group. They will depend upon the Chemicals Branch, ORR, for the basic studies. The organization of G-2 has also changed. In the summer of 1955, the G-2 representative who had a special interest in high explosives was transferred to Atomic Energy work. His replacement, who had been with A-2 working on Atomic Energy problems, was just getting his feet on the ground for the overall chemical study, with emphasis on explosives, when his responsibilities were also changed

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to Atomic Energy work for G-2. G-2 has stated that they would accept the production figures of basic chemicals agreed upon by A-2 and the Chemicals Branch of CIA. G-2 will retain its recognized responsibilities for military end items. As you know, the ONI representative resigned from active participation in the Chemical Subcommittee activities. The Subcommittee representative from State Department has largely been put on other work and told us, better than one year ago, that, although State at times would make studies, they would not watch or report in detail chemical information on the Sino-Soviet Bloc. Recently, State appointed a new representative and an alternate to the Subcommittee.

3. When the Chemicals Branch makes new estimates on the production of "selected" chemicals (sulfuric acid, synthetic ammonia, caustic soda, calcium carbide, synthetic rubber, and refined benzol), the Chairman sends the data to all of the IAC representatives, asking for their agreement or disagreement. If there is disagreement, we request their figures and methods of arriving at same. To date, we have received comments only from A-2 and, as stated before, there was agreement, with few exceptions.

4. As reported in our memorandum of 5 August 1955, a group meeting was held on 17 February 1955 at G-2, attended by representatives of the Military Services and CIA. This meeting was called in an effort to get data on explosives requirements by types. The G-2 committee member stated that he would attempt to get requirements from the three Military Services. As yet, they have not come in.

5. The approach to Chemical Intelligence by ORR and the other members of IAC, especially the Military Services, is becoming increasingly diverse. The emphasis of ORR is more and more on the economic approach based on a relatively small number of products. The interest of the Military is on military end products and not on the basic chemical components required for such things as Guided Missiles, CW-BW items, and for Atomic Energy. The principal service which the Chemical Subcommittee can perform is to achieve closer coordination between the Service Agencies estimates on production and of requirements of military end products (or specialized chemicals) in order that ORR may estimate the basic chemical requirements and evaluate against capabilities and output. In other words, the Service

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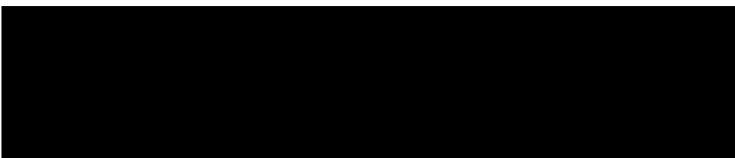
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Agencies must take steps to provide ORR with the detailed breakdown of the various types of explosives that may be required for operational purposes or to be used as substitutes for desired explosives in short supply. The same types of estimates must be supplied ORR for the various Guided Missile fuels.

6. Since 2 February 1956 meetings of the members of the Chemicals Subcommittee have been on a bilateral basis (principally between ORR and A-2). Contributions have been made to various NIEs by the Chemicals Branch, ORR, but short deadlines have made it impracticable to submit these to other members for analytical study and comments. ORR also assisted the production of EIC-R1-S4 by submitting the details of chemicals trade movements which other agencies are not logging.

7. The Chairman recommends again that the Subcommittee be regarded primarily as a means for quick and easy contacts through the members with other offices following chemicals, in various agencies. Because, however, of an increasing differentiation among interests of the participating members, it will ordinarily be inefficient to call meetings of the entire subcommittee when the specific subjects under discussion primarily involve only two agencies.

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